

**THE ODISHA GOODS AND SERVICES TAX
(AMENDMENT) ACT, 2024**

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LAW DEPARTMENT

NOTIFICATION

The 30th September, 2024

No.13844—I-Legis-13/2024/L.— The following Act of the Odisha Legislative Assembly having been assented to by the Governor on the 27th September, 2024 is hereby published for general information

ODISHA ACT 05 OF 2024

THE ODISHA GOODS AND SERVICES TAX (AMENDMENT) ACT, 2024.

AN

ACT

FURTHER TO AMEND THE ODISHA GOODS AND SERVICES TAX ACT, 2017.

BE it enacted by the Legislature of the State of Odisha in the Seventy-fifth year of the Republic of India, as follows:—

Short title and
commencement.

1.(1) This Act may be called the Odisha Goods and Services Tax
(Amendment) Act, 2024.

(2) Save as otherwise provided, the provisions of this Act shall come into force on such date as the State Government may, by notification, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

2. In Section 2 of the Odisha Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act), for clause (61), the following clause shall be substituted, namely: —

“ (61) “Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section(4) of Section 9, for or on behalf of distinct persons referred to in Section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in Section 20;”.

3. In Section 3 of the principal Act, for clause (a), the following clause shall be substituted, namely:—

“(a) Chief Commissioner of State tax or Commissioner of State tax”.

4. For Section 20 of the principal Act, the following section shall be substituted, namely:—

20. (1) Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of Section 9, for or on behalf of distinct persons referred to in Section 25, shall be required to be registered as Input Service Distributor under clause (viii) of Section 24 and shall distribute the input tax credit in respect of such invoices.

(2) The Input Service Distributor shall distribute the credit of State tax or integrated tax charged on invoices received by him, including the credit of State tax or integrated tax in respect of services subject to levy of tax under sub- section (3) or sub-section (4) of Section 9 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed.

(3) The credit of State tax shall be distributed as State tax or integrated tax and integrated tax as integrated tax or State tax, by way of issue of a document containing the amount of input tax credit, in such manner as may be prescribed.”.

Insertion of
new Section
122A.

5. After Section 122 of the principal Act, the following section shall be inserted, namely: –

“Penalty for
failure to
register
certain
machines
used in
manufacture
of goods as
per special
procedure.

122A. (1) Notwithstanding anything contained in this Act, where any person, who is engaged in the manufacture of goods in respect of which any special procedure relating to registration of machines has been notified under section 148, acts in contravention of the said special procedure, he shall, in addition to any penalty that is paid or is payable by him under Chapter XV or any other provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees for every machine not so registered.

(2) In addition to the penalty under sub-section (1), every machine not so registered shall be liable for seizure and confiscation:

Provided that such machine shall not be confiscated where—

- (a) the penalty so imposed is paid; and
- (b) the registration of such machine is made in accordance with the special procedure within three days of the receipt communication of the order of penalty.".

STATEMENT OF OBJECTS AND REASONS

The Odisha Goods and Services Tax Act, 2017 (the Act) was enacted with a view to make provision for levy and collection of tax on *intra-State* supply of goods or services or both by the State Government.

2. The new tax regime had faced certain difficulties like process of distribution of ITC among the different branches of the business, administration of taxpayers engaged in the manufacturing of certain goods such as Pan Masala etc.

In order to overcome such difficulties, it is proposed to amend the Odisha Goods and Services Tax Act, 2017.

3. The proposed Odisha Goods and Services Tax (Amendment) Bill, 2024, *inter alia*, provides for the following, namely:—

(i) to amend clause (61) of Section (2) of the Odisha Goods and Services Tax Act so as to include the Input Service Distributor (ISD) to distribute ITC in respect of services, the tax on which is liable to be paid under reverse charge mechanism u/s 9(3) and 9(4) of the OGST Act, 2017;

(ii) to substitute clause (a) of Section 3 of the OGST Act, 2017 so as to align it with definition under section 2 of the act and new nomenclature made in respect of post of Commissioner of CT & GST, Odisha i.e. Chief Commissioner of CT & GST, Odisha (if in the rank of Principal Secretary) notified earlier vide F.D. Notification No. 24310 dated the 28th August, 2023 for administrative purpose;

(iii) to substitute Section 20 of the OGST Act, 2017 so as to make registration as Input Service Distributor (ISD) mandatory in case of procurement of common input services and distribution of ITC thereof to distinct persons; and

(iv) to insert new Section 122A in the OGST Act, 2017 so as to levy penalty in case failure to register certain machines used in manufacture of goods as per special procedure notified u/s 148 of OGST Act (i.e. Tobacco, Pan-masala and similar items). The proposed amendment has provision of imposing an additional penalty of Rs. 1 lakh per unregistered machine. The other penalties specified under Chapter XV under the OGST Act would also continue to apply. Also, there would be a provision for confiscation of unregistered machines.

4. The Bill seeks to achieve the above objectives.

By Order of the Governor

MANAS RANJAN BARIK

Principal Secretary to Government